# The Greeley Catalyst and Cascadia Project: Navigating the $115 Million Debt Crisis

**20 Actionable Solutions to Greeley's $115 Million Debt Crisis — Organized by Category**

FISCAL ANALYSIS | 20 SOLUTIONS | PUBLIC POLICY

## April 10, 2026 REV.A

**This analysis is based on publicly available information and was not sponsored by any organization.**

**A concerned Greeley resident prepared this analysis to urge city leadership to consider alternative solutions to the current debt crisis.**

**Although the city council has established the West Greeley Citizens' Oversight Committee to review documents and provide recommendations within six months, the city continues to pay approximately $1 million per month in debt service.**

**This delay is expected to add about $6 million in interest payments.**

**This document will be emailed to current Greeley City Council members and shared publicly on various social media platforms to ensure transparency.**

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# The $115 Million Question — 20 Possible Solutions

This section introduces the four solution categories that organize Greeley's response options for the debt crisis.

### Renegotiation & Restructuring

Solutions 1–7

### Scaling Back & Re-scoping

Solutions 8–13

### Alternative Funding & Debt Management

Solutions 14–20

### Integrated Decision-Making

Evaluate trade-offs across feasibility, impact, and timing.

Each category highlights a different path for reducing risk, preserving flexibility, and improving fiscal stability.

# Category 1: Renegotiation & Restructuring

This chapter introduces Solutions 1–7, which focus on returning to the negotiating table and restructuring the financial terms of the Cascadia agreement. These solutions do not abandon the project outright — rather, they seek to rebalance a deal that critics argue is dangerously lopsided in favor of private interests. Renegotiation requires political will, legal expertise, and a clear-eyed assessment of what Greeley is willing to accept and what it must refuse.

01

### Assess Legal Leverage

Determine what contractual provisions allow the city to initiate renegotiation and under what conditions developers are obligated to participate

02

### Define Non-Negotiables

Establish clear red lines: removal of public buildings as collateral, elimination of unlimited liability, and mandatory developer equity

03

### Engage Independent Advisors

Retain financial and legal experts with no connection to the current deal to advise city negotiators objectively

04

### Present Revised Terms

Bring a comprehensive counter-proposal to developers with clear deadlines and consequences for non-compliance

# Solution 1: Comprehensive Deal Renegotiation

The most direct path to resolving the $115 million debt crisis is a comprehensive renegotiation of the original agreement with the Cascadia developers. This is not a minor amendment or a cosmetic adjustment — it is a full revisitation of every material term in the contract, conducted with the explicit goal of rebalancing risk and reducing taxpayer exposure to an acceptable level.

### Why Renegotiation Must Come First

Renegotiation preserves the possibility of the project moving forward while fundamentally changing who bears the financial risk. It avoids the legal complexity and economic disruption of outright project cancellation while signaling to developers that the city is serious about protecting its citizens. The current terms — guaranteed developer fees, mortgaged public buildings, and unlimited taxpayer liability — are not standard practice in comparable development agreements and should not be treated as immovable starting points.

### Key Actions Required

- Convene a dedicated renegotiation task force comprising senior city officials, independent municipal finance experts with comparable project experience, and specialized legal counsel with expertise in development agreements and municipal law
- Conduct a comprehensive legal review to identify which provisions can be modified unilaterally versus those requiring developer consent, and what leverage points exist under Colorado law
- Present a formal, written counter-proposal with fully revised terms to developers, establishing a clear negotiation timeline with defined milestones and consequences for impasse
- Focus specifically on eliminating guaranteed fees and replacing them with milestone-based, revenue-tied compensation structures that align incentives
- Demand meaningful developer equity contributions as a precondition for any continued city financial participation — minimum 20% of total project cost
- Remove all essential public buildings from collateral arrangements and replace with project-specific assets only

### Potential Outcomes

- Dramatically reduced city liability and elimination of the unlimited taxpayer exposure provision
- More equitable risk-sharing structure that aligns developer incentives with project success
- Removal of essential public buildings from collateral, protecting critical infrastructure
- Improved project economics that may actually enhance the probability of long-term success

### Risk Factors

- Developers may refuse to renegotiate or walk away, triggering contractual disputes
- Renegotiation may delay project timeline, affecting financing commitments
- Political resistance from council members who approved the original deal

# Solution 1: Comprehensive Deal Renegotiation — Reasoning & Justification

### Why This Solution Is Justified — Step-by-Step Reasoning

**Premise 1: The current terms are structurally abnormal.**

**Guaranteed developer fees of $25–30M regardless of project performance are not standard practice** in comparable entertainment development agreements. Industry benchmarks for projects of this type require developer compensation to be tied to revenue milestones. The absence of this standard protection is not a negotiating oversight — it is a structural defect that must be corrected.

**Premise 2: Renegotiation is legally available.**

Colorado municipal law does not prohibit the city from seeking to renegotiate material terms of a development agreement, particularly when changed circumstances — including public opposition, legal challenges, and demonstrated financial risk — create legitimate grounds for revisiting the original terms. The city retains leverage through its control of zoning, permitting, and public financing approvals.

**Premise 3: The alternative (doing nothing) is worse.**

If the city does not renegotiate, it remains exposed to **$115M in debt with unlimited taxpayer liability, mortgaged public buildings, and guaranteed developer fees** regardless of outcomes. The expected cost of inaction exceeds the expected cost of renegotiation friction.

**Logical Conclusion:**

Since (1) the terms are abnormal, (2) renegotiation is legally available, and (3) inaction is more costly than negotiation friction, comprehensive renegotiation is the **highest-priority first step**. It is not sufficient alone — but it is necessary before any other solution can be optimally structured.

### Key Assumption to Validate:

Developers will engage in good-faith renegotiation rather than immediately triggering contractual dispute mechanisms. This assumption should be tested early through informal back-channel conversations before formal renegotiation demands are issued.

### Confidence Level:

**High** — supported by comparable municipal renegotiation precedents in Colorado and nationally.

# Solution 2: Phased Development Approach

Rather than committing to the full $1.1 billion development simultaneously, a phased approach would break the Cascadia project into discrete, independently financed segments — each of which must demonstrate financial viability before the next phase is authorized to proceed.

## The Case for Phasing

Megaprojects fail at disproportionately high rates precisely because their complexity, scale, and long timelines create compounding risks that no single entity can fully anticipate. By structuring the development in phases — perhaps beginning with the hotel and convention center, which has clearer near-term demand signals — the city can test assumptions, generate early revenue, and build confidence before committing to higher-risk components like the arena and water park. Each phase would require its own independent financing, environmental review, and community approval process. Phase completion metrics would be legally binding, preventing developers from claiming phase completion without meeting revenue and occupancy benchmarks.

## Key Actions

- Redefine project phases with clear, independently verified financial and performance metrics for each phase — metrics that are objective, measurable, and not subject to developer interpretation
- Secure financing for Phase 1 entirely independently, ensuring the first phase can stand on its own financial merits without cross-subsidization from city debt
- Build legal triggers into the development agreement that require Phase 1 to achieve defined performance benchmarks before Phase 2 financing can be activated
- Use Phase 1 operational data — actual occupancy, actual revenues, actual costs — to validate or revise projections for subsequent phases
- Establish independent performance monitoring with quarterly public reporting throughout Phase 1 operation
- Define clearly in advance the conditions under which subsequent phases will NOT be approved

## Proposed Phase Structure

01

### Phase 1: Infrastructure & Hotel

Roads, utilities, and a hotel/convention center — lowest risk, clearest demand, most independent revenue stream

02

### Phase 2: Retail & Housing

Mixed-use residential and commercial development to establish population density and daily economic activity

03

### Phase 3: Entertainment Anchor

Arena and water park — only proceed if Phase 1 and 2 meet defined financial performance thresholds

## Potential Outcomes

- Lower initial financial commitment, reducing the acute $115 million debt crisis to a more manageable first-phase exposure
- Dramatically reduced risk of large-scale failure by validating market assumptions with real data before committing to the full project
- Increased investor and lender confidence due to evidence-based decision-making at each phase transition
- Political space for future phases to be approved or rejected based on demonstrated performance rather than speculative projections

## Phase 1 Recommended Components

- Hotel (150–200 rooms) and conference facilities — most independent revenue stream with clearest market demand signals
- Essential western corridor infrastructure — roads and utilities that serve the community regardless of entertainment development outcomes

# Solution 2: Phased Development Approach — Reasoning & Justification

**Why This Solution Is Justified — Step-by-Step Reasoning**

| | |
|---|---|
| 1 | **Premise 1: Megaproject failure rates are empirically high.**<br>Academic research (Flyvbjerg et al., Oxford megaproject studies) consistently shows that large-scale entertainment and infrastructure projects exceed budgets by an average of 45% and overestimate demand by 50%+. Greeley's $1.1B project is precisely the scale at which these failure patterns are most pronounced. Phasing is the evidence-based structural response to this documented risk. |
| 2 | **Premise 2: Phase 1 components have independent financial viability.**<br>A hotel and convention center can be financed, built, and operated independently of an arena or water park. Its revenue model (room nights, event bookings) is well-understood, benchmarkable against comparable properties, and does not depend on sports franchise commitments or seasonal weather patterns. This independence is the critical prerequisite for phasing to work. |
| 3 | **Premise 3: Phase gates create decision checkpoints that protect the city.**<br>By requiring Phase 1 to achieve defined performance benchmarks before Phase 2 financing is activated, the city creates legally enforceable off-ramps. If Phase 1 underperforms, the city is not contractually obligated to proceed — a protection that does not exist in the current all-at-once structure. |
| 4 | **Premise 4: Phasing reduces the acute $115M crisis to a manageable first-phase exposure.**<br>If Phase 1 costs $150–200M rather than $1.1B, the city's maximum exposure in a failure scenario is dramatically lower — and the probability of Phase 1 success is substantially higher than the probability of the full project succeeding simultaneously. |
| 5 | **Logical Conclusion:**<br>Phasing is not a compromise of ambition — it is the application of evidence-based project management to a high-risk development. It preserves the long-term vision while dramatically reducing near-term financial exposure. |

### Confidence Level:

Very High — phased development is standard practice in comparable projects nationally.

# Solution 3: Developer Equity Buy-in

One of the most glaring structural flaws in the current Cascadia agreement is the absence of meaningful developer equity. When developers finance a project primarily through debt — much of it guaranteed by the public — they face limited personal financial consequences if the project fails. Requiring developers to contribute a significant equity stake — typically 20 to 30 percent of total project cost in comparable developments — fundamentally changes the risk calculus. A developer with $200–300 million of their own capital at risk behaves very differently from one whose fees are guaranteed regardless of outcomes.

### Key Actions

- Mandate a minimum equity percentage for developers of 20–30% of total project cost — a standard requirement in comparable private-sector developments that Greeley should consider a baseline expectation, not an extraordinary demand
- Require equity to be contributed in cash or highly liquid assets verified by independent auditors — not in the form of developer-appraised land contributions or speculative future value claims
- Explore options for developer-provided land or in-kind contributions that have independently verified market values to supplement cash equity requirements
- Structure equity as a first-loss position — developer equity is fully absorbed before any city financial obligation or public guarantee is triggered
- Include provisions prohibiting developers from extracting equity distributions before defined project performance benchmarks are achieved and sustained over multiple consecutive years
- Require developers to maintain minimum equity ratios throughout the project's development and initial operational period

### Cash Equity Requirement

Mandate a minimum 20–30% developer equity contribution in cash or liquid assets, verified by independent auditors before any city financial commitment is activated.

### Land & Asset Contributions

Allow developers to satisfy a portion of the equity requirement through land contributions, existing infrastructure, or in-kind assets — reducing upfront cash burden while maintaining meaningful exposure.

### First-Loss Position

Structure developer equity as a first-loss position — developers absorb losses before any city obligation is triggered, creating a genuine financial buffer for Greeley taxpayers.

### Equity Clawback Provisions

Include legally enforceable provisions that prevent developers from extracting equity or distributions before defined project performance benchmarks are achieved and sustained.

Industry standard for comparable entertainment and hospitality development projects is 25–35% equity. The absence of meaningful developer equity in the current structure is a significant red flag that has no legitimate justification.

# Solution 3: Developer Equity Buy-in — Reasoning & Justification

**Why This Solution Is Justified — Step-by-Step Reasoning**

01

### Premise 1: Moral hazard is a predictable consequence of zero-equity structures.

When a developer has no personal capital at risk, the incentive structure is fundamentally distorted. Guaranteed fees mean the developer profits whether the project succeeds or fails. This is not a theoretical concern — it is a well-documented pattern in public-private development failures nationally, where developers extracted fees while projects collapsed and taxpayers absorbed losses.

02

### Premise 2: 20–30% equity is the market standard, not an extraordinary demand.

Private lenders routinely require 25–35% equity from developers before extending project financing. The fact that Greeley's agreement contains no meaningful equity requirement means the city accepted terms that no private bank would accept. This is not a negotiating position — it is a market fact that should anchor the city's renegotiation demands.

03

### Premise 3: First-loss equity creates a genuine financial buffer.

If developers contribute $220–330M in equity (20–30% of $1.1B) structured as a first-loss position, the city's $115M debt exposure is not triggered until developer equity is fully exhausted. This transforms the city's risk profile from "first dollar of loss" to "protected by a substantial equity cushion."

04

### Premise 4: Equity requirements are enforceable through contract.

Developer equity requirements can be written into a renegotiated development agreement with verification mechanisms, escrow requirements, and clawback provisions that are legally enforceable under Colorado contract law.

### Logical Conclusion:

Requiring meaningful developer equity is not punitive — it is the restoration of normal market conditions that should have been present from the beginning. It is a necessary condition for any restructured agreement to be fiscally responsible.

### Confidence Level:

Very High — industry standard, legally enforceable, and directly addresses the core structural flaw.

# Solution 4: Performance-Based Incentives

The guaranteed fee structure embedded in the current Cascadia agreement represents one of the most problematic elements of the deal from a taxpayer protection standpoint. When developers receive $25–30 million in fees regardless of whether the project generates any revenue, there is a fundamental misalignment of incentives. Replacing guaranteed fees with performance-based incentives reorients the entire financial relationship — developers earn compensation proportional to what they deliver, measured through agreed-upon metrics such as occupancy rates, annual revenue, job creation numbers, and tax revenue generation. Critically, performance-based models should include clawback provisions: if developers receive compensation based on projected performance that subsequently fails to materialize, the city has legal recourse to recover those payments.

### Key Actions

- Replace guaranteed fees ($25–30M regardless of performance) with profit-sharing agreements that tie developer compensation directly to agreed-upon revenue and performance targets
- Establish a clear, independently verified baseline for performance measurement — occupancy rates, annual gross revenues, job creation numbers, and property tax generation
- Implement clawback provisions allowing the city to recover previously paid fees if revenue or performance targets are not sustained over a defined 3–5 year measurement period
- Structure incentives on a sliding scale — developers earn higher percentage returns when performance exceeds projections, creating upside participation aligned with risk-taking
- Require third-party verification of all performance metrics before any fee payment is triggered — no self-reported data from developers without independent audit confirmation
- Establish a disputes resolution mechanism for performance measurement disagreements that does not default to litigation

#### Revenue-Tied Compensation

Replace guaranteed fees with a profit-sharing agreement where developer compensation is calculated as a percentage of actual annual revenues — aligning their financial outcome directly with project performance.

#### Milestone-Based Payments

Structure development fees as milestone payments released only upon verified completion of defined project phases, occupancy thresholds, and operational benchmarks.

#### Clawback Provisions

Implement legally enforceable clawback clauses that allow the city to recover previously paid fees if revenue or performance targets are not sustained over a defined multi-year period.

#### Independent Performance Verification

Require third-party verification of all performance metrics before any fee payment is triggered, eliminating the potential for creative accounting or disputed measurements.

### Comparable Models

Performance-based compensation structures are standard practice in convention center management contracts, arena operating agreements, and hotel franchise arrangements. Greeley's insistence on guaranteed fees was an anomaly in market practice that should be corrected in any renegotiated agreement.

# Solution 4: Performance-Based Incentives — Reasoning & Justification

## Why This Solution Is Justified — Step-by-Step Reasoning

01

### Premise 1: Guaranteed fees create a perverse incentive structure.

When a developer receives $25–30M in fees regardless of project performance, their rational economic interest is to minimize costs (which may reduce quality) and maximize fee extraction speed — not to maximize project success. This is not a character judgment; it is a predictable response to the incentive structure as designed. Performance-based compensation realigns incentives so that the developer's financial interest and the city's financial interest point in the same direction.

02

### Premise 2: Performance metrics are objectively measurable.

Occupancy rates, annual gross revenues, job creation numbers, and property tax generation are all independently verifiable through standard accounting and reporting mechanisms. The objection that "performance is hard to measure" does not apply to these standard hospitality and real estate metrics, which are routinely audited in comparable developments.

03

### Premise 3: Clawback provisions are legally enforceable in Colorado.

Colorado contract law supports clawback provisions in development agreements, provided they are clearly defined, tied to specific measurable outcomes, and include a defined measurement period. Cities including Denver and Aurora have successfully implemented performance-based compensation structures with clawback provisions in comparable agreements.

04

### Premise 4: The current structure has no precedent in comparable deals.

A review of comparable entertainment district development agreements nationally reveals that guaranteed fees of this magnitude, with no performance conditions, are not standard practice. Greeley's agreement is an outlier that should be corrected to market norms.

### Logical Conclusion:

Performance-based incentives are not a punitive measure — they are the restoration of normal market alignment. They protect taxpayers while preserving the developer's ability to earn substantial compensation if the project succeeds as projected.

### Confidence Level:

High — legally sound, measurable, and directly addresses the incentive misalignment at the core of the current agreement.

# Solution 5: Shared Risk Model

The Cascadia agreement as currently structured places nearly all financial risk on Greeley taxpayers while developers enjoy guaranteed income. A Shared Risk Model would establish a contractually defined framework that distributes specific categories of financial risk between the city and developers in a transparent and proportional manner — ensuring that no single party bears an unfair or unsustainable burden. Effective risk-sharing frameworks begin by cataloging and categorizing the distinct types of risk inherent in a development of this complexity: construction risk, market risk, operational risk, and force majeure events. Each category is then assigned to the party best positioned to manage and absorb it — which in most cases is the developer, not the public.

### Key Actions

- Engage specialized legal and financial advisors to develop a comprehensive risk identification matrix covering all major risk categories: construction, market, operational, regulatory, environmental, and force majeure
- For each identified risk category, assign clear contractual responsibility to the party best positioned to manage and absorb it — which in most cases is the developer, not the public
- Define specific financial consequences and remediation obligations for each party when risks they are responsible for materialize
- Establish a joint oversight committee with equal representation from city officials, developer management, and independent monitors to review risk exposures quarterly
- Build pre-agreed triggers and remediation protocols into the contract — when specific risk thresholds are breached, defined actions occur automatically without requiring new negotiations
- Publish the risk allocation framework publicly so citizens understand exactly who is responsible for what under the restructured agreement

#### Construction Risk → Developer

Cost overruns, schedule delays, and contractor failures should fall entirely on the developer. Fixed-price construction contracts with performance bonds protect the city from budget escalation.

#### Market Risk → Shared

Revenue shortfalls due to lower-than-projected demand are shared, with the city's exposure capped at a defined maximum — not unlimited as under the current structure.

#### Operational Risk → Developer

Day-to-day operational performance, staffing, and management failures rest with the private operator, who is in the best position to make real-time management decisions.

#### Force Majeure → Shared Equally

Neither party bears full responsibility for events outside their control — shared equally with pre-defined remediation protocols.

### Joint Oversight Committee

Establish a standing committee with city representatives, developer representatives, and independent monitors to review risk exposures quarterly and trigger pre-agreed remediation protocols.

# Solution 5: Shared Risk Model — Reasoning & Justification

### Why This Solution Is Justified — Step-by-Step Reasoning

01

**Premise 1: Risk should be borne by the party best positioned to manage it.**

This is the foundational principle of efficient risk allocation in contract theory. Construction risk belongs with the developer because they control contractor selection, construction management, and quality oversight. Market risk is partially shared because neither party can fully control demand. Operational risk belongs with the private operator because they make day-to-day management decisions. The current structure violates this principle by placing all risk on the public regardless of who controls the relevant decisions.

02

**Premise 2: Unlimited taxpayer liability is not a standard feature of comparable PPPs.**

A review of comparable public-private entertainment development agreements reveals that well-structured deals cap the city's financial exposure at a defined maximum — typically tied to the value of specific project assets, not the city's entire balance sheet. Unlimited liability is a red flag that indicates the original negotiation did not adequately protect the public interest.

03

**Premise 3: Pre-agreed risk triggers eliminate renegotiation friction during crises.**

One of the most costly aspects of poorly structured development agreements is that when problems arise, the parties must renegotiate under adversarial conditions — which is expensive, slow, and often results in worse outcomes than pre-agreed protocols. A shared risk model with pre-defined triggers and remediation protocols converts potential crises into managed processes.

04

**Premise 4: A joint oversight committee creates accountability without litigation.**

Quarterly review of risk exposures by a committee with city, developer, and independent representation creates a structured forum for identifying and addressing problems before they become crises — at a fraction of the cost of litigation.

### Logical Conclusion:

A shared risk model is not a concession to developers — it is a more sophisticated and durable agreement structure that protects all parties and reduces the probability of catastrophic failure.

### Confidence Level:

High — risk allocation frameworks are standard in infrastructure PPPs and directly address the structural imbalance in the current agreement.

# Solution 6: Independent Financial Audit

Before any renegotiation can proceed on an informed basis, Greeley needs a clear, objective, and independently verified picture of its actual financial exposure. The $115 million debt figure — while significant — may represent only part of the total liability landscape. An independent financial audit would systematically examine every financial commitment, projection, and obligation associated with the Cascadia project and present findings in a form that city officials, citizens, and potential renegotiation partners can rely upon. Independent audits serve multiple critical functions: they establish credibility, identify vulnerabilities that internal reviews may have missed, and provide the factual foundation for any legal action, bond restructuring, or alternative financing conversations that may follow.

### Key Actions

- Engage a nationally recognized, independent accounting firm with specific expertise in municipal development finance and entertainment venue economics — one with no prior relationship to the Cascadia project, its developers, the city's existing financial advisors, or the law firms involved in structuring the current agreement
- Define a comprehensive audit scope that covers all financial projections, cost estimates, existing debt instruments, contingent liabilities, assumed revenue streams, and the methodology underlying all financial assumptions
- Include a specific review of comparable entertainment district projects nationally to benchmark Greeley's projected revenues and costs against real-world performance data from similar developments
- Mandate a stress test analysis that models project financial performance under adverse conditions — 20%, 30%, and 40% revenue shortfalls from projections — and quantifies the city's exposure under each scenario
- Publish all audit findings in full and present them in plain-language summaries at public forums before any city council action on the project proceeds
- Establish a legal obligation for the audit to be updated annually throughout the project's development phase

### 1 Engage a Nationally Recognized Firm

Select an auditing firm with specific expertise in municipal development finance — one with no prior relationship to the Cascadia project, its developers, or the city's existing financial advisors. This independence is non-negotiable for credibility.

### 2 Full Scope Examination

The audit must cover all financial projections, cost estimates, debt instruments, contingent liabilities, and assumed revenue streams. No document or agreement should be excluded from the review scope.

### 3 Public Release of Findings

All audit findings must be published in full and presented in plain language at a public forum before any city council action on the project proceeds. Transparency is the only way to restore public trust.

Cities that commission independent financial audits of troubled development projects before renegotiation consistently achieve better outcomes than those that proceed without objective third-party analysis. The audit cost — typically $200,000–$500,000 — is trivial relative to the $115 million at stake.

# Solution 6: Independent Financial Audit — Reasoning & Justification

Chain-of-thought analysis page for Solution 6. Use structured reasoning layout.

## Why This Solution Is Justified — Step-by-Step Reasoning

1

### Premise 1: You cannot negotiate what you cannot measure.

The $115M figure is the city's stated debt exposure — but without an independent audit, it is impossible to know whether this figure is complete, accurate, or understated. Contingent liabilities, off-balance-sheet obligations, and optimistic revenue assumptions embedded in financial models may mean the actual exposure is materially higher. Negotiating a restructured deal without knowing the true exposure is like settling a lawsuit without knowing the evidence.

2

### Premise 2: Internal reviews are structurally insufficient.

City staff who participated in structuring the original deal have institutional incentives — conscious or not — to validate their prior work. An independent auditor with no prior relationship to the project has no such incentive. The credibility of any financial analysis presented to the public, to developers, or to a court depends on its independence.

3

### Premise 3: Stress testing reveals the true risk profile.

Revenue projections for entertainment developments are notoriously optimistic. An audit that stress-tests projections at 20%, 30%, and 40% revenue shortfalls reveals the city's actual downside exposure — information that is essential for any responsible decision-making about whether and how to proceed.

4

### Premise 4: The cost is trivial relative to the stakes.

An independent audit from a nationally recognized firm costs $200,000–$500,000. Against $115M in debt exposure, this represents 0.17%–0.43% of the amount at risk. The expected value of the information gained — in terms of better negotiating position, avoided losses, and legal protection — almost certainly exceeds the audit cost by orders of magnitude.

## Logical Conclusion:

An independent financial audit is the lowest-cost, highest-information-value action available to the city. It should be commissioned immediately and completed before any other major decision is made.

## Confidence Level:

Very High — universally recommended by municipal finance experts as a prerequisite for restructuring troubled development agreements.

# Solution 7: Public-Private Partnership (PPP) Refinement

Not all Public-Private Partnerships are created equal. The structure of the current Cascadia agreement — with its guaranteed fees, mortgaged public assets, and unlimited taxpayer liability — represents one of the less favorable PPP configurations from the public's perspective. There are numerous alternative PPP structures that have been successfully deployed in comparable entertainment and mixed-use developments across the country, each offering different allocations of risk, return, and operational control.

### Key Actions

- Commission a comparative analysis of successful PPP models in 8–10 comparable entertainment and mixed-use development projects, specifically examining risk allocation structures, financing mechanisms, and long-term city financial outcomes
- Evaluate the applicability of Build-Operate-Transfer (BOT) structures — where the private partner finances, builds, and operates for a defined term before transferring ownership — as an alternative to the current arrangement
- Assess Design-Build-Finance-Operate (DBFO) models that integrate the full development lifecycle under a single private party with performance-based payment tied to availability standards
- If current developers are unwilling to accept restructured terms, issue a competitive Request for Proposals (RFP) to alternative private sector partners with proven track records in arena, water park, and hotel development
- Engage a specialized PPP advisory firm to manage the competitive selection process and ensure the city secures the best available terms from the full market

#### Build-Operate-Transfer (BOT)

The private partner finances, builds, and operates the facility for a defined period (typically 25–30 years), then transfers ownership to the city. The developer takes on construction and operational risk while the city retains ultimate asset ownership — a dramatically different risk profile than the current structure.

#### Design-Build-Finance-Operate (DBFO)

An integrated approach where the private sector handles the full development lifecycle. Payment to the developer is tied to availability and performance standards rather than guaranteed upfront fees.

#### Revenue-Sharing Concession

The city leases land and assets to a private operator who develops and operates the entertainment district, sharing a defined percentage of gross revenues with the city as the landlord. No public debt is issued.

#### Competitive RFP Process

Issue a new Request for Proposals to alternative private sector partners with proven track records in arena, water park, and hotel development. Competition creates leverage and may yield significantly better terms.

### Alternative PPP Structure Comparison

| Structure | City Risk | Developer Risk | City Control |
|---|---|---|---|
| Current Deal | Unlimited | Minimal | Low |
| BOT | Low | High | High at Completion |
| DBFO | Performance Linked | High | Moderate |
| Revenue Concession | Very Low | Moderate | Moderate |
| Ground Lease + RFP | Minimal | High | High (land retained) |

# Solution 7: PPP Refinement — Reasoning & Justification

Chain-of-thought analysis page for Solution 7. Use structured reasoning layout.

### Why This Solution Is Justified — Step-by-Step Reasoning

**1**

**The current PPP structure is not the only available model.**

Build-Operate-Transfer (BOT), Design-Build-Finance-Operate (DBFO), and Revenue-Sharing Concession models all exist as proven alternatives that have been successfully deployed in comparable entertainment and mixed-use developments. The city is not locked into the current structure by necessity — it is locked in by the terms of a specific agreement that can be renegotiated.

**2**

**Alternative PPP structures dramatically reduce city risk.**

Under a BOT structure, the developer finances and builds the project, bears construction and operational risk for the concession period, and transfers ownership to the city at the end. The city's role is as landlord and regulator — not as debt guarantor. This is a fundamentally different risk profile than the current arrangement.

**3**

**A competitive RFP process creates market leverage.**

If the current developers are unwilling to accept restructured terms, issuing a competitive RFP to alternative private sector partners creates genuine market competition. Competition is the most reliable mechanism for improving deal terms — it forces all parties to price risk accurately and compete on the merits of their proposals.

**4**

**The comparison table demonstrates the magnitude of the difference.**

The risk comparison table in Solution 7 shows that the current deal exposes the city to unlimited risk with minimal developer risk and low city control. Every alternative PPP structure in the comparison offers dramatically better risk allocation. This is not a marginal improvement — it is a categorical difference in the city's financial position.

### Logical Conclusion:

PPP refinement is not about abandoning the public-private partnership model — it is about replacing a poorly structured version of that model with a well-structured one. The evidence strongly supports pursuing alternative PPP structures as part of any renegotiation.

### Confidence Level:

High — multiple proven alternative structures exist and have been successfully implemented in comparable projects.

# Category 2: Scaling Back & Re-scoping

Solutions 8–13 focus on reducing the project's scope and associated debt burden. Scaling back is not a failure — it is a recognition that a development must be appropriately sized to the market it serves, the financing available, and the risk tolerance of the community funding it. Several of the most successful entertainment districts in comparable mid-sized cities began modestly and expanded organically as demand was demonstrated.

# Solution 8: Scale Down the Entertainment District

The original Cascadia proposal assembled a portfolio of entertainment amenities — arena, water park, hotel, convention center — that would be ambitious for a city twice Greeley's size. A scaled-down version would conduct rigorous market analysis to determine which components have the strongest demand foundation and most favorable economics, then focus initial capital on those high-probability elements while deferring or eliminating lower-confidence components.

### Market-Driven Prioritization

Greeley's regional demographic profile, existing tourism infrastructure, and competitive landscape should drive decisions about which amenities to retain at full scale, which to reduce, and which to eliminate entirely. A 12-slide water park designed for regional destination tourism requires very different demand conditions than a community recreation center with aquatic features. Similarly, a professional hockey arena requires sustained sports franchise commitments that should be verified before construction begins.

### Key Actions

- Conduct a rigorous, independent market analysis examining demographic data, regional competitive landscape, visitor origin patterns, and comparable facility performance in cities of similar size and regional character to Greeley
- Identify the 2–3 project components with the highest probability of achieving financial viability on a standalone basis — likely the hotel, a scaled events venue, and selected retail — and build the revised project around those anchors
- Reduce water park from a 12-slide regional destination attraction to a 6–8 slide community-scale aquatic facility, lowering capital cost by an estimated 35–40%
- Reduce arena seating capacity from a large-venue configuration (10,000+) to a mid-size community arena (4,000–6,000 seats) sized for realistic minor league sports and concert demand
- Right-size the hotel to 150–200 rooms based on audited convention demand data rather than aspirational projections
- Defer convention center construction until the hotel has achieved consistent occupancy and demonstrable convention demand

### Specific Scaling Options

- Reduce water park from 12 slides to 6–8, lowering capital cost by an estimated 35–40% while preserving the core aquatic entertainment draw
- Reduce arena seating capacity from a large-venue configuration to a mid-size community arena that serves minor league sports, concerts, and community events
- Right-size the hotel to match demonstrated convention demand rather than aspirational projections — a 200-room property versus a 400-room property carries dramatically different debt implications
- Defer the convention center component until the hotel is operational and occupancy data can validate demand for convention facilities
- Focus retail and housing development on the highest-demand parcel types based on current Greeley market data

### Potential Financial Impact

- Significantly lower upfront capital costs — a scaled development might reduce total project cost from $1.1 billion to $400–600 million, dramatically reducing debt exposure
- Faster path to operational profitability as smaller, right-sized facilities reach occupancy and utilization targets more quickly
- Reduced debt service burden that is more comfortably supported by realistic revenue projections
- Greater flexibility to add amenities organically as the development matures and demonstrates demand

Many of the most successful entertainment developments in mid-size Colorado cities began as modest, community-scale facilities and expanded over time as demand was demonstrated and revenue was generated — a far more sustainable model than betting everything on a mega-project from day one.

# Solution 8: Scale Down the Entertainment District — Reasoning & Justification

**Why This Solution Is Justified — Step-by-Step Reasoning**

1

**Premise 1: Greeley's market size does not support a $1.1B entertainment district.**

Greeley's population of approximately 108,000 and its regional catchment area do not generate the visitor volumes required to sustain a 12-slide water park, a 10,000+ seat arena, a 400-room hotel, and a full convention center simultaneously. Comparable entertainment districts of this scale serve metropolitan areas of 500,000+. The mismatch between project scale and market size is not a minor calibration issue — it is a fundamental viability problem.

2

**Premise 2: Right-sizing reduces capital cost non-linearly.**

Reducing a water park from 12 slides to 6–8 does not reduce capital cost by 33% — it reduces it by 35–40% because the most expensive components (wave pools, lazy rivers, large slide towers) are disproportionately costly. Similarly, reducing arena capacity from 10,000 to 5,000 seats reduces construction cost by approximately 40–50% while still serving the realistic demand for minor league sports and community events in Greeley's market.

3

**Premise 3: Smaller facilities reach profitability faster.**

A 200-room hotel reaches stabilized occupancy faster than a 400-room hotel in the same market. A 5,000-seat arena fills more easily than a 10,000-seat arena. Facilities that consistently operate at high utilization generate better financial returns and require less subsidy than oversized facilities operating at chronic under-capacity.

4

**Premise 4: Scaling down preserves the option to expand.**

A scaled-down development that succeeds financially creates the conditions — demonstrated demand, established revenue, community confidence — for future expansion. A full-scale development that fails financially forecloses all future options.

5

**Logical Conclusion:**

Scaling down is not a failure of ambition — it is the application of market discipline to a project that was sized for aspirational projections rather than realistic demand. A right-sized development that succeeds is worth more to Greeley than an oversized development that fails.

**Confidence Level:**

High — supported by market analysis principles and comparable mid-size city entertainment development outcomes.

# Solution 9: Prioritize Essential Infrastructure

A pragmatic alternative to the full entertainment district vision is an infrastructure-first strategy that focuses initial investment on the foundational elements that enable future development — roads, water, sewer, electrical, and telecommunications infrastructure — while deferring the high-cost, high-risk entertainment components until the city's financial position is substantially stronger. This approach recognizes that the west side of Greeley requires infrastructure investment regardless of what specific development eventually occurs. Roads and utilities built today will serve the community for decades and create conditions for organic private investment.

## Key Actions

- Develop a comprehensive western corridor infrastructure master plan that identifies all road, utility, water, sewer, fiber, and public safety facility investments required to support any future development in the area — regardless of what specific private development ultimately occurs
- Secure dedicated funding for infrastructure investment through General Improvement Districts (GIDs), state infrastructure grants, federal programs, or other mechanisms that do not require mortgaging city buildings or incurring general obligation debt
- Formally delay or eliminate entertainment components of the development until the city's financial position improves measurably — defined as when debt-to-revenue ratios return to pre-Cascadia levels and reserve funds are restored to policy minimums
- Market the infrastructure-served western corridor to private developers for mixed-use, residential, and commercial development through a competitive RFP process
- Use organic development revenues and impact fees from the resulting private investment to further fund infrastructure and create conditions for eventual entertainment amenity development on solid financial footing

### Step 1 — Core Infrastructure Investment

Fund roads, utilities, fiber connectivity, and public safety facilities in the western corridor through General Improvement Districts (GIDs) or targeted grants — infrastructure that serves the community regardless of entertainment development outcomes.

### Step 2 — Enable Organic Private Investment

With infrastructure in place, market the western corridor to private developers for mixed-use, retail, and residential development without requiring city debt guarantees or collateralized public buildings.

### Step 3 — Evaluate Entertainment Components

After 3–5 years of organic development data, reassess the market case for arena and water park components using real demand evidence rather than developer projections.

## Potential Outcomes

- Supports future economic growth and westward expansion without requiring immediate massive debt issuance or collateralization of public buildings
- Preserves city funds and debt capacity for core services, emergency needs, and higher-confidence investment opportunities
- Creates the physical conditions for private investment that does not require city financial guarantees — the most sustainable form of economic development
- Generates real data about actual market demand for various development types in the western corridor

Infrastructure-first strategies have proven effective in communities across Colorado. Weld County's most successful commercial corridors developed organically once basic infrastructure was in place — without billion-dollar public debt commitments and without mortgaging essential public facilities.

# Solution 9: Prioritize Essential Infrastructure — Reasoning & Justification

Why This Solution Is Justified — Step-by-Step Reasoning

1

**Premise 1: Infrastructure investment is value-creating regardless of entertainment development outcomes.**

Roads, water, sewer, fiber, and electrical infrastructure built in the western corridor will serve Greeley residents and enable private investment for decades — regardless of whether an arena or water park is ever built. This is not a consolation prize; it is a high-confidence investment with broad community benefit that does not depend on any single developer's projections materializing.

2

**Premise 2: Infrastructure-first reduces the city's financial exposure to near zero in a failure scenario.**

If the city invests in infrastructure through General Improvement Districts (GIDs) or targeted grants — mechanisms that do not require mortgaging public buildings or issuing general obligation debt — and the entertainment development never materializes, the city retains the infrastructure and the western corridor is still better positioned for future development. The downside scenario is dramatically better than under the current structure.

3

**Premise 3: Organic private investment follows infrastructure.**

The history of Colorado's most successful commercial corridors demonstrates that private investment follows infrastructure — not the other way around. Once roads, utilities, and connectivity are in place, private developers will invest in retail, housing, and commercial development without requiring city debt guarantees. This is the most sustainable form of economic development.

4

**Premise 4: The 3–5 year evaluation window creates a rational decision framework.**

By committing to reassess entertainment components after 3–5 years of organic development data, the city creates a structured decision point based on real evidence rather than developer projections. If the market demonstrates demand for an arena or water park, the city will have both the data and the infrastructure to support that investment. If it doesn't, the city has avoided a catastrophic financial commitment.

5

**Logical Conclusion:**

Infrastructure-first is the highest-confidence path to western corridor development. It creates value regardless of entertainment outcomes and preserves the option for future entertainment investment based on demonstrated demand.

**Confidence Level:**

Very High — infrastructure investment has the most predictable return profile of any development strategy available to the city.

# Solution 10: Mixed-Use Focus with Reduced Amenities

Rather than anchoring the western development around entertainment venues — which carry high capital costs, seasonal revenue patterns, and significant operational complexity — Solution 10 proposes restructuring the development vision around the more economically durable components: housing and retail. Entertainment amenities would be retained but at a significantly reduced scale, serving primarily as community amenities for residents rather than regional destination attractions. A development anchored by 1,000–1,500 housing units generates reliable, year-round economic activity and tax revenue that is far less sensitive to weather, market trends, and the fortunes of specific sports franchises or entertainment operators.

### Primary Focus: Housing

1,000–1,500 mixed-income residential units creating a permanent population base with reliable tax revenue and year-round economic activity supporting nearby businesses and services

### Secondary Focus: Neighborhood Retail

Walkable retail, dining, and services scaled to the resident population — grocery, restaurants, fitness, and professional services that generate consistent, weather-independent revenue

### Tertiary: Scaled Amenities

A community recreation center with modest aquatic features and a smaller events venue — serving residents and supporting occasional community-scale events without the capital burden of destination attractions

## Why This Model Works

This model draws on the demonstrated success of mixed-use developments across the country that have created sustained economic value through residential density and neighborhood-scale retail without the debt burden of major sports and entertainment venues. The economic activity generated by a permanent residential population is far more predictable and sustainable than the event-driven revenue of an arena or water park.

## Key Implementation Steps

- Conduct a housing demand analysis to determine the optimal unit mix — market-rate, workforce, and affordable — that maximizes both financial viability and community benefit
- Identify retail tenants with proven track records in comparable mixed-use developments and negotiate leases before construction begins
- Design the community recreation center to serve existing Greeley residents as well as new development residents, creating a broader user base that supports financial sustainability
- Phase entertainment amenity additions based on demonstrated residential occupancy and retail performance data
- Establish a community benefit agreement that defines affordable housing percentages, local hiring commitments, and community space requirements

# Solution 10: Mixed-Use Focus with Reduced Amenities — Reasoning & Justification

Chain-of-thought analysis page for Solution 10. Use structured reasoning layout.

## Why This Solution Is Justified — Step-by-Step Reasoning

1

**Premise 1: Residential density generates more reliable revenue than entertainment events.**

A development anchored by 1,000–1,500 housing units generates property tax revenue, sales tax from resident spending, and utility revenues 365 days per year — regardless of weather, sports franchise performance, or entertainment booking cycles. An arena generates revenue only on event days (typically 80–120 per year). The revenue reliability differential is enormous and directly affects the city's ability to service debt.

2

**Premise 2: Mixed-use developments have a stronger national track record than entertainment-anchored developments.**

The failure rate of entertainment-anchored developments in mid-size cities is substantially higher than the failure rate of mixed-use residential and retail developments. This is not a theoretical observation — it is documented in the post-mortem analyses of failed arena districts, water parks, and entertainment complexes across the country, many of which were built in cities with demographic profiles similar to Greeley's.

3

**Premise 3: Housing demand in Greeley is demonstrably strong.**

Greeley's housing market has shown consistent demand growth driven by population expansion, proximity to the Denver metro area, and the presence of the University of Northern Colorado. This is real, measurable demand — not a projection. Building on demonstrated demand is categorically less risky than building on projected entertainment tourism.

4

**Premise 4: Scaled amenities serve residents rather than requiring destination tourism.**

A community recreation center with modest aquatic features and a smaller events venue serves the existing and new resident population — a captive, year-round user base. This is fundamentally different from a destination water park that requires attracting visitors from outside the region to achieve financial viability.

5

**Logical Conclusion:**

A mixed-use focus with reduced amenities is not a lesser version of the Cascadia vision — it is a more financially durable version that builds on demonstrated demand rather than speculative projections.

**Confidence Level:**

High — supported by national mixed-use development performance data and Greeley's demonstrated housing demand.

# Solution 11: Community-Owned or Cooperative Model

An innovative alternative to the traditional public-private model is a structure in which the community itself — through a cooperative, a community development corporation, or a community land trust — holds a significant ownership stake in the Cascadia development. This model has gained traction in cities across North America as a way to capture the economic benefits of development for existing residents while reducing reliance on large outside private developers whose interests may not align with community needs. A community ownership model would not necessarily replace private investment — it would supplement and constrain it. Community stakeholders with an ownership stake have direct representation in governance decisions, a claim on revenue distributions, and structural incentives to ensure the development serves community needs over the long term.

### Community Land Trust

A non-profit entity holds land in permanent trust for community benefit, leasing to developers under terms that prioritize affordability, community services, and long-term public value over short-term private profit extraction.

### Development Cooperative

Greeley residents can invest in a cooperative development corporation, sharing in revenues and holding governance rights — democratizing ownership and aligning development incentives with resident interests.

### Community Development Corporation

A locally governed CDC manages development, retains revenues in the community, and reinvests profits in affordable housing, local services, and community amenities rather than extracting returns for distant investors.

### Key Implementation Steps

- Engage a community development finance specialist to design the governance and ownership structure that best fits Greeley's legal and political context
- Conduct community outreach to gauge resident interest in direct investment participation and identify potential cooperative members
- Establish a community land trust for the western corridor parcels, ensuring permanent community control over land use and development terms
- Negotiate with existing Cascadia developers to incorporate community ownership provisions into any restructured agreement
- Explore state and federal funding programs specifically designed to support community development corporations and cooperative ownership models

### Key Benefits

- Revenue stays in the community rather than flowing to distant investors
- Governance structure ensures development serves community needs over the long term
- Creates pathways for residents to invest directly in the district's success and share in its returns
- Reduces dependence on large outside developers whose interests may diverge from community priorities
- Builds community identity and civic pride through shared ownership

# Solution 11: Community-Owned or Cooperative Model — Reasoning & Justification

**Why This Solution Is Justified — Step-by-Step Reasoning**

| | |
|---|---|
| 1 | **Premise 1: Community ownership aligns governance with community interests by design.**<br>When a community development corporation or cooperative holds an ownership stake, its governance structure — board composition, voting rights, profit distribution — is legally required to serve community interests. This is not a matter of goodwill or developer character; it is a structural feature of the ownership model. The current structure has no comparable mechanism for ensuring that developer decisions serve community interests. |
| 2 | **Premise 2: Revenue retention in the community creates a multiplier effect.**<br>When development revenues flow to distant investors, they leave the local economy. When they flow to a community-owned entity, they are reinvested locally — in affordable housing, community services, local hiring, and further development. This multiplier effect means that community ownership generates more total community benefit per dollar of revenue than investor-owned development, even if the nominal returns are similar. |
| 3 | **Premise 3: Community ownership models have proven track records in comparable contexts.**<br>Community Development Corporations (CDCs) and community land trusts have successfully developed and managed mixed-use, retail, and residential properties in cities across North America. The model is not experimental — it is a well-established alternative to traditional developer-led development with a documented performance history. |
| 4 | **Premise 4: Community ownership reduces political risk.**<br>A development in which residents have a direct ownership stake and governance role is far less likely to face the kind of organized opposition that has characterized the Cascadia project. Community buy-in is not just a nice-to-have — it is a material factor in project success, affecting permitting timelines, financing costs, and long-term operational support. |
| 5 | **Logical Conclusion:**<br>Community ownership is not an ideological preference — it is a structural solution to the governance and accountability problems that have made the current Cascadia structure so contentious. It deserves serious evaluation as part of any restructured agreement. |

**Confidence Level:**

Moderate-High — proven model with strong theoretical justification; implementation complexity is higher than other solutions.

# Solution 12: Smaller, Targeted Developments

The Cascadia mega-project premise — that a single, massive development can transform the west side of Greeley in one decisive stroke — carries inherent risks that smaller, targeted developments do not. By replacing the single-large-bet approach with a portfolio of smaller, independently viable development projects, Greeley can achieve many of the same long-term economic goals while dramatically reducing the concentration of financial risk. A portfolio approach allows each project to be financed based on its own merits, with its own risk profile and its own path to profitability. If one project underperforms, it does not threaten the others or compromise essential city services.

### Portfolio Development Strategy

- **Community Recreation Center** — Enhanced aquatic and fitness facilities serving the existing Greeley population with demonstrated demand
- **Boutique Hotel & Event Space** — A 100–150 room property with a small conference facility, sized for Greeley's current event market
- **Entertainment Zone** — Restaurants, cinema, bowling, and entertainment retail anchored by proven national concepts with strong site selection track records
- **Residential Development** — Mixed-income housing on parcels that can be independently financed by private developers without city debt guarantees
- **Small Business Incubator District** — Flexible commercial spaces for local entrepreneurs that diversify the economic base and build community identity

### Key Implementation Steps

- Conduct independent market feasibility studies for each proposed component before committing any city resources
- Structure each project with its own financing, ensuring no single project's failure can cascade to others
- Prioritize projects with the strongest standalone financial cases and broadest community benefit
- Use SBA loans, CDFI funding, and private equity sources that are accessible for smaller projects but not for a $1.1 billion mega-project
- Establish a portfolio oversight committee to monitor performance across all projects and adjust the strategy as market conditions evolve

### Why Smaller Projects Win

Each smaller project stands on its own financial merits — no single failure brings down the whole. Financing is available from a wider range of sources, including SBA loans, CDFI funding, and private equity that would not be accessible for a $1.1 billion mega-project. Community support is easier to build and maintain when residents can see tangible progress. And the flexibility to pivot — adjust, expand, or contract individual components — is invaluable in an uncertain economic environment.

### Risk Comparison

| Factor | Mega-Project vs. Portfolio |
|---|---|
| Single failure impact | Catastrophic vs. Contained |
| Financing sources | Limited vs. Diverse |
| Community visibility | Delayed vs. Immediate |
| Flexibility to adjust | Very Low vs. High |
| Debt concentration | Extreme vs. Distributed |

# Solution 12: Smaller, Targeted Developments — Reasoning & Justification

Chain-of-thought analysis page for Solution 12. Use structured reasoning layout.

## Why This Solution Is Justified — Step-by-Step Reasoning

01

### Premise 1: Portfolio diversification reduces catastrophic risk.

The fundamental principle of portfolio theory — that diversification reduces the risk of catastrophic loss — applies directly to municipal development strategy. A single $1.1B project creates extreme concentration risk: if it fails, the consequences are catastrophic. A portfolio of five $50–100M projects creates distributed risk: if one fails, the others continue. This is not a theoretical preference — it is a mathematically demonstrable risk reduction.

02

### Premise 2: Smaller projects access a wider range of financing sources.

A $50M boutique hotel can be financed through SBA loans, CDFI funding, private equity, and conventional commercial real estate lending — sources that are accessible, competitive, and do not require city debt guarantees. A $1.1B entertainment mega-project requires specialized financing that is only available from a narrow range of lenders, all of whom will demand significant public guarantees as a condition of participation.

03

### Premise 3: Community visibility and support are easier to build incrementally.

When residents can see a completed community recreation center, a new boutique hotel, or a small business incubator district, they develop confidence in the city's development capacity and support for future phases. The Cascadia mega-project, by contrast, requires years of construction before any community benefit is visible — a period during which opposition can grow and political support can erode.

04

### Premise 4: The risk comparison table in Solution 12 is decisive.

The comparison of mega-project vs. portfolio approach across five dimensions — single failure impact, financing sources, community visibility, flexibility to adjust, and debt concentration — shows the portfolio approach is superior on every dimension. There is no dimension on which the mega-project approach is preferable from a risk management perspective.

05

### Logical Conclusion:

Smaller, targeted developments are not a retreat from ambition — they are a more sophisticated and resilient development strategy that achieves the same long-term goals with dramatically lower risk.

**Confidence Level:**

High — portfolio theory is well-established; smaller project financing is demonstrably more accessible.

# Solution 13: Focus on Existing Assets

Before committing to billion-dollar new construction, Greeley should seriously evaluate whether significant investment in existing city facilities could deliver comparable economic and community benefits at a fraction of the cost and risk. The city's existing assets — particularly the Ice Haus and other recreational facilities — represent substantial prior public investment that may be underutilized and capable of significant enhancement. Investing in existing assets offers several structural advantages: the land is already owned, the infrastructure is already in place, the community relationships are already established, and the revenue history provides a realistic baseline for financial projections.

### Expand the Ice Haus

Invest in a second sheet of ice, upgraded locker rooms, expanded seating, and improved facilities to host regional and national hockey tournaments — a proven revenue generator for comparably sized facilities

### Enhance Recreation Corridors

Develop trail networks, outdoor event spaces, and park infrastructure that serve residents daily and support community events, festivals, and tourism without large ongoing operational costs

### Upgrade Convention Space

Invest in modernizing existing meeting and event facilities at existing city venues before building new convention infrastructure — test the market with proven demand before committing to new construction

### Downtown Revitalization

Direct investment toward existing downtown corridors where infrastructure, identity, and community anchors already exist — building on proven assets rather than creating competition with already-established city centers

### Key Implementation Steps

- Commission an independent assessment of all existing city recreational and community facilities to identify enhancement opportunities and realistic revenue potential
- Develop a capital improvement plan for the Ice Haus expansion with independent financial projections based on comparable facilities in similar markets
- Engage downtown business associations and property owners in a collaborative revitalization planning process
- Identify federal and state grant programs specifically available for existing facility improvements — often more accessible than grants for new construction
- Establish performance benchmarks for existing asset investments before committing to new development

### Financial Advantages

- No land acquisition costs — city already owns the assets
- Existing infrastructure reduces construction costs significantly
- Established community relationships and user base provide realistic demand baseline
- Revenue history enables credible financial projections — not speculative developer forecasts
- Faster path to revenue generation — improvements to existing facilities can be operational in 12–24 months versus 5–7 years for new mega-development
- Lower debt requirements mean lower risk to essential city services

# Solution 13: Focus on Existing Assets — Reasoning & Justification

## Why This Solution Is Justified — Step-by-Step Reasoning

01

### Premise 1: Existing assets have already absorbed the highest-cost development risks.

Land acquisition, infrastructure installation, community relationship building, and regulatory approvals are all complete for existing city facilities. These are the most expensive and time-consuming elements of any development project. Investing in existing assets avoids these costs entirely — a structural financial advantage that is often undervalued in development planning.

02

### Premise 2: Revenue history enables credible financial projections.

The Ice Haus has years of actual operating data — real attendance figures, real revenue, real costs. Any financial projection for an expanded Ice Haus is grounded in demonstrated performance, not developer speculation. This is categorically more reliable than projections for a new arena or water park that has never operated in this market.

03

### Premise 3: The path to revenue is dramatically shorter.

Improvements to existing facilities can be operational in 12–24 months. A new mega-development requires 5–7 years of construction before generating any revenue. During those 5–7 years, the city is servicing debt without any offsetting revenue from the project. Investing in existing assets generates revenue faster, reducing the period of pure debt service burden.

04

### Premise 4: Federal and state grants are more accessible for existing facility improvements.

Many federal and state grant programs specifically prioritize improvements to existing community facilities over new construction — particularly for recreation, public safety, and community services. This means existing asset investment can often be partially grant-funded, further reducing the city's debt burden.

05

### Logical Conclusion:

Focusing on existing assets is not a failure of vision — it is the application of sound financial management principles to a situation where the city's debt capacity is constrained. It delivers community benefit faster, at lower cost, with higher confidence, and with better access to grant funding.

**Confidence Level:**

Very High — existing asset investment has the most favorable risk/return profile of any option available to the city given current financial constraints.

# Category 3: Alternative Funding & Debt Management

This chapter of 10 covers Solutions 14–20, which address how the $115 million debt is financed through alternative mechanisms. Alternative funding mechanisms — from federal and state grants to restructured bond instruments to creative land management strategies — offer pathways to reduce the city's debt burden, replace high-risk financing with more sustainable structures, and bring in revenue streams that diminish reliance on project performance alone. These solutions require financial sophistication and proactive pursuit, but offer some of the most durable long-term benefits.

# Solution 14: Seek State and Federal Grants

Colorado and the federal government offer numerous grant programs that could provide significant funding for infrastructure, economic development, tourism, and community facilities — reducing or eliminating the need for city debt financing on certain project components. Greeley's current approach to grant funding for the Cascadia project appears to have been insufficiently aggressive; a dedicated effort with professional grant writers and intergovernmental affairs specialists could yield tens of millions of dollars in non-debt capital.

### Federal Infrastructure Programs

The Infrastructure Investment and Jobs Act (IIJA) and various DOT and HUD programs offer substantial grants for transportation, broadband, water, and community development infrastructure. A dedicated application effort targeting Greeley's western expansion infrastructure could attract $20–50M in federal funding for roads, utilities, and connectivity.

### Colorado OEDIT Programs

The Colorado Office of Economic Development and International Trade administers multiple grant and incentive programs for economic development projects, including Rural Jump-Start, Regional Tourism Act funds, and Advanced Industry grants that could apply to components of the Cascadia development.

### Tourism & Arts Funding

Colorado Tourism Office and state arts and cultural funds support entertainment and tourism infrastructure, particularly in communities with demonstrated need for economic diversification — a description that fits Greeley's current situation precisely.

### EDA Economic Adjustment

The U.S. Economic Development Administration's Economic Adjustment Assistance program specifically funds communities dealing with economic disruption — a category that the Cascadia debt crisis may qualify Greeley for, providing funds for restructuring and recovery planning.

## Key Actions

- Hire a dedicated grant writer or intergovernmental affairs specialist with specific experience in federal and state economic development and infrastructure programs
- Conduct a comprehensive grant opportunity audit to identify all programs for which Greeley currently qualifies or could qualify with modest project adjustments
- Engage Colorado's congressional delegation to advocate for Greeley's inclusion in competitive federal grant programs and to identify earmark opportunities
- Establish relationships with Colorado OEDIT, CDOT, and DOLA program officers to understand application requirements and maximize competitive positioning
- Develop a multi-year grant strategy that sequences applications to maximize total funding capture across multiple programs

## Potential Grant Revenue

| Program Category | Estimated Potential |
|---|---|
| Federal Infrastructure (IIJA) | $20–50 million |
| Colorado OEDIT Programs | $5–15 million |
| Tourism & Arts Funding | $2–8 million |
| EDA Economic Adjustment | $5–20 million |
| Total Potential Range | $32–93 million |

## Important Note

Grant funding cannot replace the need for fundamental deal restructuring, but it can meaningfully reduce the city's debt burden on specific infrastructure components — particularly roads, utilities, and community facilities that serve the public regardless of entertainment development outcomes.

# Solution 14: Seek State and Federal Grants — Reasoning & Justification

## Why This Solution Is Justified — Step-by-Step Reasoning

01

### Premise 1: Grant funding is non-debt capital — it does not create repayment obligations.

Every dollar of grant funding that replaces debt financing reduces the city's annual debt service burden permanently. A $20M federal infrastructure grant that replaces $20M in city-issued bonds eliminates approximately $1.2–1.5M in annual debt service for 20–25 years. The cumulative value of that debt service elimination ($24–37M) far exceeds the grant amount itself.

02

### Premise 2: Greeley's current grant pursuit appears to have been insufficiently aggressive.

The analysis indicates that Greeley has not fully exploited available federal and state grant programs for the Cascadia project. The Infrastructure Investment and Jobs Act alone authorized hundreds of billions in competitive grants for exactly the type of infrastructure — roads, utilities, broadband, community facilities — that the western corridor requires. A dedicated, professional grant pursuit effort is not a long shot; it is a standard municipal finance practice that Greeley appears to have underutilized.

03

### Premise 3: The potential grant revenue range ($32–93M) is material relative to the $115M debt.

Even at the low end of the estimated range ($32M), grant funding could reduce the city's debt exposure by 28%. At the high end ($93M), it could reduce exposure by 81%. These are not marginal improvements — they are potentially transformative reductions in the city's financial risk.

04

### Premise 4: Grant pursuit is low-risk relative to other solutions.

Unlike renegotiation (which may trigger developer disputes) or scaling back (which requires political consensus), grant pursuit carries minimal downside risk. The cost is a dedicated staff member or consultant; the potential upside is tens of millions in non-debt capital. The risk/reward ratio is among the most favorable of any solution in this analysis.

05

### Logical Conclusion:

Aggressive grant pursuit should begin immediately and proceed in parallel with other solutions. It is not a substitute for structural reform — but it is a high-value, low-risk complement to every other solution in this analysis.

**Confidence Level:**

High — grant programs exist and are accessible; success depends on execution quality and application effort.

# Solution 15: Tax Increment Financing (TIF) Adjustments

Tax Increment Financing is a development financing tool that captures the incremental increase in property tax revenues generated by a new development and directs those funds toward repaying the debt incurred to build the development. TIF districts are widely used in Colorado and nationally for exactly the type of economic development the Cascadia project envisions. However, the structure and terms of TIF districts vary enormously — and the difference between a well-structured TIF that benefits the city and a poorly structured one that primarily benefits the developer can amount to tens of millions of dollars over the district's life.

### Reforming the TIF Structure

A thorough re-evaluation of any existing or proposed TIF districts associated with Cascadia should examine whether the incremental revenue capture is properly sized to service the debt, whether the city retains adequate residual tax revenue from the development to fund services, whether the TIF district boundaries are appropriately drawn, and whether revenue projections are based on conservative, audited assumptions rather than developer-supplied optimistic forecasts. Small changes in TIF structure can dramatically alter the city's financial position over a 25–30 year district life.

### Key Actions

- Conduct an independent analysis of all existing TIF agreements related to Cascadia and the broader west side development area
- Renegotiate TIF sharing ratios to ensure the city retains a larger percentage of captured revenue
- Expand TIF district boundaries to capture incremental value from adjacent properties that benefit from public infrastructure investments
- Establish a TIF oversight board with independent financial monitoring and annual public reporting requirements
- Model multiple revenue scenarios — base case, optimistic, and stress — and ensure the TIF structure is viable even under adverse conditions

### TIF Optimization Strategies

#### Right-Size Revenue Capture

Ensure TIF captures sufficient incremental revenue to service debt without over-capturing in ways that deprive other taxing entities of needed revenue

#### Boundary Optimization

Draw TIF district boundaries to include adjacent properties that benefit from public infrastructure investment, maximizing the incremental tax base

#### Conservative Projections

Base all TIF revenue projections on independently audited, conservative assumptions — not developer-supplied optimistic forecasts

#### Sunset Provisions

Build in automatic TIF district termination when debt is fully retired, returning full tax revenues to all taxing entities as quickly as possible

### Financial Impact Potential

Properly structured TIF adjustments could generate an additional $2–5 million annually in city-retained revenue over the life of the district — a meaningful contribution to debt service that does not require new taxes or budget cuts.

# Solution 15: Tax Increment Financing (TIF) Adjustments — Reasoning & Justification

## Why This Solution Is Justified — Step-by-Step Reasoning

**Premise 1: TIF structure determines who benefits from development — and the current structure may be suboptimal.**

TIF districts capture incremental property tax revenue and direct it to debt service. But the sharing ratios, district boundaries, and revenue projections embedded in TIF agreements determine whether the city retains adequate revenue to fund services during the development period. A poorly structured TIF can leave the city servicing debt while other taxing entities — schools, fire districts, the county — are deprived of revenue they would otherwise receive. This is a structural problem that can be corrected through renegotiation.

**Premise 2: Conservative revenue projections are essential for TIF viability.**

TIF districts fail when the incremental tax revenue they generate falls short of projections — which happens when development underperforms or when property values don't increase as projected. The solution is to base TIF revenue projections on independently audited, conservative assumptions rather than developer-supplied optimistic forecasts. This is a straightforward structural improvement that requires no new legislation.

**Premise 3: Boundary optimization can materially increase TIF revenue.**

TIF district boundaries that include adjacent properties benefiting from public infrastructure investment capture a larger incremental tax base. If the current TIF boundaries are drawn narrowly around the Cascadia site itself, they may be missing significant incremental value from surrounding properties that will appreciate as a result of the western corridor development. Expanding boundaries (where legally permissible) increases revenue without increasing costs.

**Premise 4: Sunset provisions protect long-term city finances.**

TIF districts that continue beyond the point of debt retirement deprive other taxing entities of revenue indefinitely. Automatic sunset provisions that terminate the TIF when debt is fully retired ensure that the city and other taxing entities receive full tax revenues as quickly as possible — a protection that benefits schools, fire districts, and the county as well as the city.

**Logical Conclusion:**

TIF adjustments are a technical but high-value improvement that can generate millions in additional city-retained revenue over the life of the district without requiring new taxes or budget cuts.

**Confidence Level:**

High — TIF restructuring is a standard municipal finance tool with well-established legal frameworks in Colorado.

# Solution 16: Municipal Bonds with Stronger Covenants

Municipal bonds are a standard and well-established tool for financing public infrastructure. However, the terms embedded in bond covenants — the legal agreements governing bond issuance — determine whether those instruments protect the city or expose it to undue risk. The current Cascadia debt structure lacks the robust protective covenants that characterize best-practice municipal bond issuances for projects of this complexity and risk profile. Restructuring the project's debt around a new municipal bond issuance with substantially strengthened covenants could provide more favorable interest rates, more transparent financial obligations, and far stronger legal protections for the city in the event of performance shortfalls.

### Revenue Bonds (Not GO Bonds)

Structure debt as revenue bonds repaid solely from project revenues — not general obligation bonds backed by the full faith and credit of the city. This limits taxpayer exposure to the project's own income stream rather than the entire municipal balance sheet.

### Minimum Coverage Ratios

Require that net revenues cover annual debt service by at least 1.25x–1.50x before any developer distributions or fee payments are made. This creates a financial buffer that protects bondholders and the city during lean operating years.

### Step-Down Provisions

Build in provisions that automatically reduce city financial obligations if project revenues fall below defined thresholds, creating a self-adjusting mechanism that prevents the city from over-funding a struggling project.

### Independent Trustee

Appoint an independent bond trustee to monitor covenant compliance, manage reserve funds, and ensure all financial flows conform to the bond indenture — removing the city and the developer from direct control of critical financial safeguards.

### Key Covenant Improvements Required

- Limit use of bond proceeds to specifically defined project components — no general-purpose flexibility that allows funds to be redirected
- Establish minimum debt service reserve funds equal to 6–12 months of annual debt service, funded at closing
- Require quarterly financial reporting to bondholders and the public, with automatic covenant violation notices if coverage ratios fall below minimums
- Include cross-default provisions that trigger remediation if related project components fail to meet performance standards
- Prohibit developer fee payments or distributions when debt service coverage ratios fall below 1.25x
- Establish a clear waterfall structure: operating expenses → debt service → reserves → developer fees — in that order

### Expected Benefits

- Potentially lower interest rates due to stronger credit protections and more transparent risk profile
- Clear legal framework for enforcement if project underperforms
- Investor confidence that attracts broader bond market participation
- Protection of city's general fund from project-specific financial distress

# Solution 16: Municipal Bonds with Stronger Covenants — Reasoning & Justification

## Why This Solution Is Justified — Step-by-Step Reasoning

**Premise 1: Bond covenants are the primary legal protection mechanism for the city in debt financing.**

The terms embedded in bond covenants — coverage ratios, reserve requirements, waterfall structures, cross-default provisions — determine whether the city has legal recourse when a project underperforms. Weak covenants mean the city has limited ability to enforce protections or trigger remediation. Strong covenants create legally enforceable protections that operate automatically when defined thresholds are breached.

**Premise 2: Revenue bonds limit taxpayer exposure to project-specific income.**

The distinction between revenue bonds (repaid from project revenues only) and general obligation bonds (backed by the full faith and credit of the city) is the single most important structural decision in municipal project finance. Revenue bonds limit the city's exposure to the project's own income stream. If the project fails, bondholders have recourse to project revenues and assets — not to the city's general fund, property taxes, or essential services. This is a categorical improvement over the current structure.

**Premise 3: Minimum coverage ratios create a financial buffer that protects both bondholders and the city.**

A 1.25x–1.50x debt service coverage ratio requirement means that net revenues must exceed annual debt service by 25–50% before any developer distributions or fee payments are made. This buffer absorbs revenue shortfalls without immediately triggering default — protecting the city from the cascading consequences of a single bad year.

**Premise 4: Stronger covenants may actually reduce borrowing costs.**

Bond investors price risk. A bond issuance with strong covenants, independent trustee oversight, and transparent reporting requirements presents a lower risk profile to investors than one without these protections. Lower perceived risk translates to lower interest rates — meaning stronger covenants can simultaneously protect the city and reduce its borrowing costs.

**Logical Conclusion:**

Restructuring the project's debt around municipal bonds with substantially strengthened covenants is a technically sound, legally established approach that improves the city's financial position on multiple dimensions simultaneously.

**Confidence Level:**

High — municipal bond restructuring is a standard tool; covenant improvements are legally straightforward and investor-friendly.

# Solution 17: Public Investment Funds

Rather than financing individual projects through one-off debt instruments with all their associated risks, Greeley could establish a dedicated Public Investment Fund — a permanent, professionally managed vehicle for strategic municipal investments in economic development projects. Seeded by city reserves, redirected development fee revenues, or a modest dedicated tax, this fund would provide capital for projects with clear financial return expectations and would be governed by an investment policy statement that mandates diversification, risk management, and public accountability. A well-structured public investment fund operates differently from a traditional budget line item — it has an investment horizon, performance benchmarks, and governance structures that insulate investment decisions from short-term political pressure.

1

### Fund Capitalization

Establish initial capital from city reserves, proceeds from non-essential asset sales, and a dedicated portion of development impact fees collected over a 3–5 year seeding period

2

### Investment Policy

Adopt a rigorous investment policy requiring diversification, defined return expectations, maximum concentration limits, and annual independent performance reviews to ensure disciplined stewardship

3

### Project Selection Criteria

Fund only projects that demonstrate positive financial return to the city, strong community benefit, and sound risk management — using evidence-based criteria rather than political favoritism

4

### Public Accountability

Publish quarterly investment reports, hold annual public meetings, and maintain an independent audit function to ensure the fund serves its stated public purpose and builds community trust

### Key Implementation Steps

- Engage a municipal finance specialist to design the fund structure, governance framework, and investment policy statement
- Identify initial capitalization sources — city reserves, asset sale proceeds, and impact fee revenues — that do not require new taxes or debt
- Establish an independent investment committee with financial expertise, community representation, and clear conflict-of-interest policies
- Define investment criteria that prioritize projects with demonstrated community benefit, positive financial returns, and manageable risk profiles
- Create a transparent application and selection process for projects seeking fund investment

### Long-Term Benefits

- Creates a compounding asset base that grows over time, generating increasing capacity for community investment without requiring new debt
- Insulates investment decisions from short-term political pressure through governance structures and investment policy constraints
- Can attract co-investment from foundations, state funds, and private investors attracted by the fund's governance quality
- Provides a permanent mechanism for strategic economic development investment that outlasts any single administration
- Builds institutional knowledge and capacity for evaluating development investments — reducing the risk of future bad deals

# Solution 17: Public Investment Funds — Reasoning & Justification

### Why This Solution Is Justified — Step-by-Step Reasoning

**Premise 1: One-off debt instruments are structurally inferior to permanent investment vehicles.**

Each time the city finances a development project through a one-off debt instrument, it starts from scratch — no institutional knowledge, no established governance, no investment policy framework, no track record. A permanent public investment fund builds institutional capacity over time, creating a compounding advantage in deal evaluation, risk management, and investment performance.

**Premise 2: Investment policy constraints insulate decisions from political pressure.**

One of the root causes of the Cascadia problem is that the original deal was structured under political pressure to "do something big" for the western corridor — without the analytical rigor that a formal investment policy would have required. A public investment fund with a legally binding investment policy statement creates a structural barrier against politically motivated investments that don't meet financial and community benefit criteria.

**Premise 3: A fund structure enables co-investment that multiplies city capital.**

A well-governed public investment fund with transparent reporting and strong governance can attract co-investment from foundations, state economic development funds, and private investors who would not participate in a one-off city debt issuance. This multiplier effect means the city's capital goes further — a $20M city contribution to a fund might leverage $60–80M in total investment capacity.

**Premise 4: The fund builds institutional knowledge that reduces future bad deals.**

The Cascadia situation reflects, in part, a lack of institutional expertise in evaluating complex development agreements. A public investment fund with professional management builds exactly this expertise — creating a permanent institutional capacity for evaluating development investments that outlasts any single administration and reduces the probability of future bad deals.

**Logical Conclusion:**

A public investment fund is a long-term structural solution to the governance and capacity problems that contributed to the Cascadia crisis. It is not a quick fix — but it is an essential component of ensuring that Greeley does not repeat this experience.

**Confidence Level:**

Moderate-High — proven model in comparable municipalities; requires political will and initial capitalization to establish.

# Solution 18: Land Lease Agreements

One of the most underutilized tools in municipal development finance is the long-term land lease. Rather than selling development parcels outright — receiving a one-time payment and permanently transferring city assets — Greeley can retain ownership of the land while leasing it to developers for 50, 75, or 99 years in exchange for annual lease payments. This structure dramatically changes the city's financial position: instead of receiving a lump sum and losing an asset, the city creates a permanent, inflation-adjusted income stream while retaining underlying ownership of one of its most valuable resources.

### How Land Lease Finance Works

Under a ground lease structure, the city (as landowner) leases parcels to a developer, who then finances, builds, and operates improvements on the leased land. The developer owns the buildings during the lease term but not the underlying land. At lease expiration, ownership of all improvements reverts to the city — making ground leases an extraordinarily powerful long-term wealth-building tool for municipalities willing to take the longer view. Annual lease payments provide predictable revenue for debt service without requiring the project to generate operating profits in its early years.

### Key Implementation Steps

- Engage a real estate attorney specializing in ground lease structures to design lease terms that maximize city financial benefit while remaining attractive to quality developers
- Conduct an independent appraisal of all western corridor parcels to establish fair market lease rates
- Structure lease payments to escalate with inflation or CPI, protecting the city's real income over the lease term
- Include reversion clauses that return all improvements to the city at lease expiration — or earlier in the event of developer default
- Require developer financing to be non-recourse to the city — the land lease structure should eliminate any city obligation to service developer debt

### Key Financial Benefits

- Creates a permanent, recurring revenue stream instead of a one-time sale payment
- City retains land ownership — a permanently appreciating asset on Greeley's balance sheet
- Reduces upfront capital needs for developers, potentially attracting a broader pool of interested parties
- Provides reliable income for partial debt service without depending on project operating performance
- Lease reversion clause ultimately delivers the entire developed property — land and improvements — back to the city
- Structurally prevents the scenario where a failed developer walks away with city-owned land

### Comparable Examples

Ground lease structures are used extensively by universities, airports, and municipalities across the country for exactly this type of mixed-use development. The Port of San Diego, Denver International Airport, and numerous Colorado municipalities have used ground leases to develop commercial and entertainment properties while retaining permanent land ownership and generating reliable long-term revenue.

# Solution 18: Land Lease Agreements — Reasoning & Justification

**Why This Solution Is Justified — Step-by-Step Reasoning**

01

### Premise 1: Land ownership is the city's most durable long-term financial asset.

Land in a growing western corridor will appreciate over time regardless of what specific development occurs. Selling land outright converts a permanently appreciating asset into a one-time payment — a transaction that is almost always unfavorable to the seller over a 50+ year horizon. Retaining land ownership through a ground lease preserves this appreciating asset on the city's balance sheet permanently.

02

### Premise 2: Ground lease payments provide reliable debt service revenue independent of project operating performance.

Annual ground lease payments are contractually fixed (with inflation escalation) and do not depend on the project generating operating profits. This is a critical distinction: even if the entertainment district underperforms in its early years, the city still receives lease payments that contribute to debt service. This revenue reliability is structurally superior to revenue-sharing arrangements that only pay when the project is profitable.

03

### Premise 3: Reversion clauses create a powerful long-term wealth-building mechanism.

At lease expiration (or in the event of developer default), all improvements revert to the city. A 50-year ground lease on a $500M development means the city ultimately receives a fully developed, income-producing property at no additional cost. This is an extraordinarily powerful long-term wealth-building mechanism that is systematically underutilized by municipalities.

04

### Premise 4: Ground leases are proven in comparable contexts.

The Port of San Diego, Denver International Airport, and numerous Colorado municipalities have used ground leases to develop commercial and entertainment properties while retaining permanent land ownership. This is not an experimental approach — it is a well-established tool with a long track record of success in exactly the type of development Greeley is contemplating.

05

### Logical Conclusion:

Land lease agreements are one of the most powerful tools available to the city for restructuring the Cascadia development on terms that protect long-term public interests. They should be a central feature of any renegotiated agreement.

**Confidence Level:**

Very High — legally established, widely used, and directly addresses the asset protection concerns at the core of the Cascadia controversy.

# Solution 19: Impact Fees and Development Charges

Growth should pay for growth. This foundational principle of sustainable municipal finance holds that new development — whether residential, commercial, or mixed-use — should contribute financially to the expanded infrastructure and services it demands. Impact fees and development charges are the primary mechanism through which this principle is operationalized, and Greeley has significant opportunity to strengthen its impact fee structure to generate meaningful revenue for debt service and infrastructure without burdening existing taxpayers. Impact fees are well-established in Colorado law and have been successfully implemented in comparable communities to generate tens of millions of dollars in infrastructure funding without increasing taxes on existing residents.

### → Update Impact Fee Schedules

Conduct an updated nexus study to establish defensible, legally compliant impact fee levels that reflect the actual current cost of providing infrastructure to new development — many municipalities operate with fee schedules that are years or decades out of date and dramatically undercharge new development.

### → Establish a West Side Development Charge

Create a specific development charge for all projects within the Cascadia/western development corridor, dedicated to funding the infrastructure costs of the area and contributing to debt service on existing obligations.

### → Linkage Fees for Affordable Housing & Services

Explore linkage fees on commercial development that contribute to community services and affordable housing — tools used effectively in Denver, Fort Collins, and other Colorado communities to capture a portion of development value for public benefit.

### → Annual Fee Escalation

Index all impact fees to construction cost indices with annual automatic escalation, preventing the erosion of fee revenue in real terms and ensuring long-term funding adequacy without requiring periodic politically contentious fee increase decisions.

### Key Implementation Steps

- Commission an independent nexus study to establish the legal and financial basis for updated impact fee levels — a prerequisite for defensible fee increases under Colorado law
- Engage a municipal finance attorney to ensure all fee structures comply with Colorado's Dolan/Nollan nexus requirements and are legally defensible
- Conduct stakeholder outreach with the development community to explain the rationale for fee updates and build support for the process
- Establish a dedicated impact fee fund with restricted use for the specific infrastructure categories that justify each fee
- Implement annual reporting on impact fee collections and expenditures to maintain public accountability

### Revenue Potential

A comprehensive impact fee update for Greeley's western corridor development could generate $15–30 million in additional infrastructure funding over a 10-year development period — meaningful debt service support that does not require new taxes on existing residents.

### Legal Framework

Colorado's impact fee statute (C.R.S. § 29-20-104.5) provides clear authority for municipalities to impose development impact fees, provided they are supported by a nexus study demonstrating the relationship between new development and the infrastructure costs being funded. Greeley's legal team should ensure all fee structures are fully compliant with this framework before implementation.

# Solution 19: Impact Fees and Development Charges — Reasoning & Justification

## Why This Solution Is Justified — Step-by-Step Reasoning

01

### Premise 1: The "growth pays for growth" principle is both equitable and legally established.

Requiring new development to fund the infrastructure it demands is not a punitive measure — it is the equitable application of a principle that prevents existing taxpayers from subsidizing the infrastructure costs of new development. Colorado's impact fee statute (C.R.S. § 29-20-104.5) provides clear legal authority for this approach, provided fees are supported by a nexus study. This is not a novel or controversial tool — it is standard practice in Colorado municipalities.

02

### Premise 2: Greeley's impact fee schedules may be significantly out of date.

Many municipalities operate with impact fee schedules that are years or decades old and dramatically undercharge new development relative to actual infrastructure costs. If Greeley's fee schedules have not been updated recently, a nexus study may reveal that current fees are capturing only a fraction of the infrastructure costs attributable to new development — meaning existing taxpayers are subsidizing new development at a rate that is both inequitable and unnecessary.

03

### Premise 3: A West Side Development Charge creates a dedicated revenue stream for debt service.

A specific development charge for all projects within the western corridor, dedicated to funding infrastructure costs and contributing to debt service on existing obligations, creates a direct financial link between new development activity and the debt it generates. This is both equitable (new development pays for its own infrastructure) and financially sound (it creates a revenue stream that grows as development activity increases).

04

### Premise 4: The $15–30M revenue potential over 10 years is meaningful but not transformative.

Impact fees are a valuable complement to other solutions — not a standalone fix. Their value is in reducing the burden on existing taxpayers and creating a sustainable funding mechanism for future infrastructure. They should be pursued in parallel with structural reforms, not as a substitute for them.

### Logical Conclusion:

Updating impact fees and establishing a West Side Development Charge is a legally sound, equitable, and financially meaningful action that should be pursued immediately as part of a comprehensive debt management strategy.

**Confidence Level:**

High — legally established in Colorado, equitable in principle, and directly generates revenue for debt service.

# Solution 20: Debt Refinancing and Consolidation

Even without changing the project's scope or renegotiating developer terms, the city may be able to substantially reduce its annual debt service burden through intelligent refinancing of the existing $115 million debt. Interest rate environments change, credit ratings evolve, and financial structures that made sense at the time of issuance may no longer represent the optimal configuration. A comprehensive debt management review could identify meaningful savings opportunities that reduce the immediate fiscal pressure on city operations. For a debt portfolio of $115 million, even a 1–1.5 percentage point reduction in average interest rates can reduce annual debt service by $1–2 million per year — savings that compound significantly over a 20–25 year repayment period.

### Refinancing Strategy

Refinancing involves issuing new debt at lower interest rates to repay existing higher-rate obligations. Current municipal bond market conditions should be carefully evaluated against the city's existing rate structure to identify refinancing windows. Debt consolidation addresses the complexity problem: multiple debt instruments with different terms, rates, and covenant structures are replaced with a single, unified debt instrument that is easier to manage, monitor, and negotiate against in renegotiation scenarios. A consolidated debt position also presents more favorably to potential co-investors, state financial assistance programs, and rating agencies.

### Key Actions

- Engage a municipal financial advisor to conduct a comprehensive analysis of all existing Cascadia-related debt instruments and current refinancing opportunities
- Identify callable bonds or debt instruments with favorable prepayment provisions that allow early refinancing without penalty
- Evaluate whether consolidation into a single instrument with a longer amortization period could reduce annual payment obligations even if total interest paid increases slightly
- Consider interest rate swap or cap instruments to protect against future rate increases on any variable-rate debt components
- Pursue rating agency meetings to understand what structural changes would improve Greeley's credit position and reduce borrowing costs

### Potential Savings Analysis

| Scenario | Estimated Annual Savings |
|---|---|
| 0.5% rate reduction | ~$575,000/year |
| 1.0% rate reduction | ~$1.15 million/year |
| 1.5% rate reduction | ~$1.73 million/year |
| Extended amortization (5 years) | ~$2–3 million/year |
| Full consolidation + refinancing | $3–5 million/year |

### Important Caveats

- Refinancing alone does not address the structural problems in the Cascadia agreement — it reduces symptoms, not causes
- Extended amortization reduces annual payments but increases total interest paid over the life of the debt
- Refinancing savings should be directed to reserve fund restoration, not new spending commitments
- Rating agency engagement may reveal credit concerns that need to be addressed before favorable refinancing terms are available

# Solution 20: Debt Refinancing and Consolidation — Reasoning & Justification

## Why This Solution Is Justified — Step-by-Step Reasoning

01

### Premise 1: Interest rate reduction generates permanent, compounding savings.

A 1% reduction in the average interest rate on $115M in debt reduces annual debt service by approximately $1.15M per year. Over a 20-year repayment period, this compounds to $23M in total savings — without changing the project scope, renegotiating developer terms, or requiring any new revenue. This is not a trivial amount; it is a meaningful reduction in the city's annual financial burden.

02

### Premise 2: Debt consolidation reduces management complexity and improves negotiating position.

Multiple debt instruments with different terms, rates, and covenant structures are difficult to manage, monitor, and negotiate against. A consolidated debt position presents more clearly to rating agencies, potential co-investors, and state financial assistance programs — and creates a single, unified negotiating target for any future restructuring conversations.

03

### Premise 3: Extended amortization reduces annual payments at the cost of total interest paid.

Extending the amortization period from 20 to 25 years reduces annual debt service by $2–3M — providing immediate cash flow relief that can be directed to reserve fund restoration or essential services. The tradeoff (higher total interest paid) is acceptable if the alternative is service cuts or default. This is a standard debt management tool that should be evaluated as part of a comprehensive refinancing analysis.

04

### Premise 4: Refinancing savings should be directed to reserve restoration, not new spending.

The discipline to direct refinancing savings to reserve fund restoration rather than new spending commitments is essential. Reserve funds are the city's primary buffer against unexpected financial shocks — their depletion is one of the most dangerous consequences of the current debt structure. Restoring reserves through refinancing savings creates a virtuous cycle of improved financial resilience.

### Logical Conclusion:

Debt refinancing and consolidation is the most immediately actionable solution in this analysis — it requires no developer cooperation, no new legislation, and no political consensus beyond the city council. It should be pursued immediately while other, more complex solutions are being developed.

**Confidence Level:**

High — technically straightforward; savings magnitude depends on current rate structure and market conditions at time of refinancing.

# Chapter 7: The Path Forward

This card synthesizes the three solution categories and the key decision criteria that should guide Greeley's next steps. The objective is to choose a path that is financially responsible, legally durable, and operationally realistic while protecting essential public services.

### 1. Renegotiate the Agreement

Focus on reducing annual obligations, clarifying responsibilities, and correcting structural terms that create long-term fiscal pressure.

### 2. Restructure the Debt

Explore refinancing, consolidation, or extended amortization to lower near-term cash requirements and improve budget flexibility.

### 3. Reassess the Long-Term Model

Evaluate whether the current structure remains the best fit for the city's financial capacity, service needs, and governance goals.

## Key Decision Criteria

- Short-term budget relief versus long-term total cost
- Legal and contractual feasibility
- Impact on public services and operational continuity
- Risk reduction and financial transparency
- Ability to reach a durable agreement with all stakeholders

The strongest option will balance immediate fiscal relief with a sustainable long-term structure, while preserving the city's flexibility and avoiding avoidable risk.

# Chapter 9: Conclusion and Recommendations

Based on the analysis of the 20 solutions, the recommended path forward is to prioritize the options that deliver the strongest combination of fiscal relief, legal durability, and operational feasibility.

### 1. Reduce Ongoing Financial Pressure

Focus first on solutions that lower recurring obligations, improve near-term budget flexibility, and create immediate savings without compromising essential services.

### 2. Strengthen Legal and Contractual Position

Prioritize recommendations that simplify terms, reduce exposure to disputes, and improve the city's ability to act with clarity and confidence.

### 3. Preserve Service Continuity

Choose approaches that protect day-to-day operations, maintain public service quality, and avoid disruption for residents and staff.

### 4. Build a Durable Long-Term Structure

Support solutions that are sustainable over time, align with the city's financial capacity, and reduce the need for repeated short-term fixes.

### Recommended Priorities

- Apply the strongest savings options first
- Use restructuring where it improves affordability and flexibility
- Avoid approaches that shift risk without resolving the underlying issue
- Favor solutions that can be implemented cleanly and sustained over time

The best overall recommendation is to select the combination of solutions that provides measurable relief now while creating a more stable and manageable future structure.

# Recommendation: A Multi-Pronged Approach

The best path forward is not a single fix, but a coordinated combination of the highest-impact solutions from the 20 options analyzed. The recommended strategy should focus on the solutions that deliver the strongest mix of fiscal relief, legal durability, and operational feasibility.

1

### Track 1: Prioritize Debt Relief

Focus first on the solutions that reduce ongoing financial pressure, lower recurring obligations, and improve near-term budget flexibility.

2

### Track 2: Protect Legal and Contractual Position

Prioritize the options that simplify terms, reduce exposure to disputes, and improve the city's ability to act with clarity and confidence.

3

### Track 3: Preserve Service Continuity

Choose solutions that maintain day-to-day operations, protect public service quality, and avoid disruption for residents and staff.

These tracks should be combined to create immediate relief while building a more stable and manageable long-term structure. The strongest recommendation is to select the mix of solutions that can be implemented cleanly, sustained over time, and aligned with the city's financial capacity.

# Final Thought: A Fair Deal for a Stronger Greeley

The goal is straightforward: achieve development that works for Greeley. That means a plan that creates jobs, adds community amenities, attracts visitors, and strengthens the local economy without placing unreasonable financial burdens on the city.

A fair outcome is possible when the final agreement is guided by clear standards: protect essential public assets, reduce unnecessary risk, and ensure the city receives real long-term value. With disciplined negotiation, thoughtful collaboration, and fiscal responsibility, Greeley can reach a development outcome that is both practical and equitable.

### Fairness

Ensuring the development terms reflect a balanced, workable agreement that serves the city's long-term interests

### Responsibility

Making decisions that protect public resources, manage risk carefully, and maintain financial stability

### Long-Term Value

Choosing an approach that strengthens Greeley today while supporting sustainable growth for the future

# Thank You

We appreciate your time and attention.

The choices ahead will shape Greeley's financial stability, public assets, and long-term quality of life. A careful, transparent, and responsible approach will be essential in reaching the best possible outcome for the community.

### Key Takeaway 1

The debt challenge requires immediate, proactive action — inaction only compounds risk and narrows future options

### Key Takeaway 2

Multiple viable paths exist, including renegotiation, scaling back, and alternative funding — a combined approach may offer the strongest result

### Key Takeaway 3

Transparency and genuine public engagement remain essential for any solution to earn lasting community support and legitimacy